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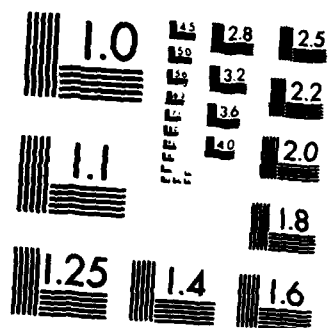
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# Aviation Executive Conference

## Summary Report

Washington, D.C.  
June 30, 1981

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**Honorable J. Lynn Helms  
Administrator  
Federal Aviation Administration**



# Introductory Remarks

Mr. Helms welcomed the conference participants and stated that on November 4, 1980, the American people conveyed a very clear and concise message that they wanted a change. Mr. Helms went on to say that the FAA would respond to that direction by (1) reducing the cost of doing business, (2) increasing productivity, and (3) putting a stop to ever-expanding regulations. He also reinforced the need to accelerate airline deregulation.

Mr. Helms stated that FAA's basic mission is to provide for the safe and efficient use of the Nation's airspace. He stated that he put the word "safe" first because he considers safety the FAA's primary responsibility. Mr. Helms also stressed the need for efficiency since the economic consequences of FAA decisions are great. He outlined three guidelines for FAA operation: (1) the FAA should control but not constrain; (2) the FAA should regulate but not interfere with free enterprise or competitive purpose; and (3) the FAA should recognize that most air passengers travel by scheduled air carriers. FAA has a responsibility to give priority to the commercial passenger but not to the extent that it denies the private pilot access to the air.

Mr. Helms stressed his conviction that policies set at FAA must be compatible with the users of the aviation system. He stated that the aviation community not only can but must contribute to the formulation of aviation policy and to the solution of problems.

Mr. Helms stated that many people have discussed with him how to establish an order of priorities among the problems facing FAA. Having reviewed a multitude of issues, Mr. Helms said he was

convinced that the single largest problem facing aviation is how to accommodate the second 100,000 airplanes that will be in the air in the next nine years. The solution to that problem cuts across all segments of aviation. Accordingly, he emphasized the need for each of the conference participants and the organizations they represent to take part in establishing the direction the FAA must take in arriving at solutions. He urged that each participant identify his needs, constraints and objectives so the problem can be mutually solved.

In closing, Mr. Helms pointed out that the emphasis of the Aviation Executive Conference was to offer a chance for an open exchange of ideas and that this conference was being held so that FAA could be more responsive to the needs of the aviation community. He reaffirmed his intention to reduce the cost of FAA's operation.

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**C. Edward Acker**  
**Chairman of the Board and Chief**  
**Executive Officer, Air Florida**





# Deregulation— How Far Should the FAA Go?

Mr. Acker stated that to answer this topic question he was reminded of the oft-repeated dilemma posed by the dual mandate of the FAA to insure the highest degree of safety in air travel and promote civil aviation as well. Mr. Acker said that because of the apparent inconsistency between these two objectives, this mandate has been the subject of some debate, which in his view has not been very illuminating.

Mr. Acker went on to say that he does not perceive a serious conflict between these FAA objectives, because safety promotes air travel. He pointed out that air travel would never have reached its preeminent position as a mover of short and long-haul traffic were it not for the ability of air carriers, in conjunction with the FAA, to design and operate a network of air transportation services upon which the public could rely for safe and dependable service.

He also stated that in his many years of experience in the air transport industry, he has yet to see any FAA Administrator or other FAA official make a decision that was not consistent with the agency's goal to insure safety. However, modification and exemptions from existing rules have been and continue to be justified in many cases on historical dedication to the principle of safety. Therefore, Mr. Acker said, deregulation, even in the area of rules that generally relate to safety, can and should be explored with the focus on those rules that no longer perform a legitimate function or that may or may not recognize the operating characteristics of today's jet aircraft. Additionally, Mr. Acker stated that the FAA should explore the redesign or modification of its regulations and procedures to insure maximum efficiency. For example, he pointed

out, airline training operations could be more efficiently conducted as the need to coordinate and schedule FAA inspectors for oral exams, simulator and aircraft checks were eliminated. Mr. Acker proposed the modification of the rules in order to permit designated air carrier check airmen to qualify captains and first officers when they transition to other aircraft types within the category of transport license that they hold. He said that by the use of carrier-designated check airmen, the integrity of the certification system would be preserved while at the same time reducing the burden on the FAA local office charged with overseeing this qualifying process.

Mr. Acker also suggested that rules applicable to international flights be reviewed. Where there is a divergence of view between the U.S. and competent foreign authorities as to the appropriate regulatory balance, he believes the FAA should review these rules with an eye toward modifying those that hinder the competitiveness of U.S. carriers.

Another point of concern to Mr. Acker was that the FAA conduct as efficiently as possible and in a manner which insures operator respect for and adherence to the regulations.

Mr. Acker stated that the current geographical concept of enforcement investigation and processing does not maximize the FAA's compliance effort. He explained that under current policy, the field office in the geographical area in which an infraction is discovered is charged with the responsibility of investigating enforcement cases and with the processing of the matter. Prior to the implementation of this policy, the responsibility for compliance and enforcement rested in the hands of

the regional office in which the operator was domiciled. He pointed out that as a result of this modification to the concept of regionalized enforcement, large operators may be subjected to different interpretations of a rule or regulation depending upon the geographical region of the infraction and the interpreting FAA office. Mr. Acker said that this lack of uniformity is an undesirable element in an effective enforcement program as it confuses operators desiring to structure their services in a manner designed to insure full compliance.

Another point Mr. Acker made regarding this subject is that by geographically separating the sites of enforcement action from the operator's domicile, both the FAA staff and the management of the operator may be required to spend a great deal of nonproductive travel time during the course of an investigation. In addition, the geographical concept of compliance requires a level of coordination and support between the domicile region and the investigating office as well as between these offices and the operator that the prior regionalized enforcement concept did not require. Mr. Acker said this added layer of bureaucracy is detrimental to the overall effectiveness of the FAA's compliance responsibilities, and he feels it should be revised along regional lines.

In closing, Mr. Acker stated that deregulation or lesser regulation of air carrier operations can be accomplished without any diminution of FAA's goal to insure the highest possible degree of safety in air transportation.



**E.H. Boulloun**  
**President**  
**Boeing Commercial Airplane Company**

# Deregulation— How Far Should the FAA Go?

Mr. Boullioun opened his talk by stating he does not feel deregulation is needed; what is needed is better management and planning. He said that deregulation may be an appropriate word for describing certain political objectives such as eliminating Federal activities that can be better managed by private industry. He said this is not the situation facing us: the FAA's role is unique and that role cannot be delegated or assumed by other levels of the Government or private industry.

He went on to say that the FAA faces at least three tremendous tasks. One is service related: to develop an air traffic control system that maintains an excellent safety record and, at the same time, to improve the capacity, efficiency and productivity of air transportation. Another is community related: the concern for noise levels and other environmental concerns in areas where air activity interfaces with activity on the ground. Yet another task is industry related: to simplify the certification process in a manner that maintains the integrity of aircraft and components while reducing the costs and time involved.

He explained that air traffic management has two aspects: airspace usage and a traffic control system. He said there is a need for a coherent program to determine the proper allocation of airspace in order to achieve safe, efficient service and public access; there is also a need for the FAA to develop a master plan that can be understood and is acceptable to all parties for improving the air traffic control system. He suggested that an Operations Review Conference be held annually so all who must make the system work can voice their concerns and provide suggestions for the improvement of the FAA plans.

The next point Mr. Boullioun made was that the technology is on hand to improve air traffic control. He said there is a need to develop a master plan that has the backing of Government and industry, that will survive several administrations, and has the necessary funding to become a reality.

On the subject of noise, which is a major factor of community-related tasks, Mr. Boullioun pointed out that the FAA and industry have led the way in this area but that some groups and some individuals have either promised or expected miracles. Aircraft noise levels have come down significantly, but neither Government nor industry is capable of defying the laws of physics, he pointed out. Despite the progress made in noise reduction, the rate of introduction of quiet aircraft is still a factor of market economics. He stated that no one has been able to create an incentive great enough to overcome time, technical factors, or lack of capital. He also stated that it is time for the Federal Government, through the FAA, to preempt regulation of noise levels, curfews, and other airport access restrictions.

In discussing the certification task, Mr. Boullioun said that aircraft manufacturers believe certification costs and the potential for delays in certification are matters of increasing concern. More regulations not only increase the manufacturers' costs but also the FAA workload. By reducing FAA workload in this area, he noted, other pressing problems could be addressed.

Mr. Boullioun proposed that regular airworthiness reviews attended by all segments of industry be held by the FAA. The sole purpose of these reviews would be to consider dropping, modifying or simplifying

regulations. He said that another possibility would be for aviation associations to use committees and working groups to screen proposals for rule changes and compile substantiating data for FAA review. This would provide priority guidance to the FAA in carrying out the President's order to review the costs versus benefit of Federal regulations.

On the subject of how a manufacturer produces airplanes on the authority of a production certificate, Mr. Boullioun suggested the FAA review and improve the type-certificate applicants' methods and procedures, and their systems for compliance and, if acceptable, delegate responsibility for the detailed review and approval of certification data. He believes this would permit better use of FAA's resources to insure greater attendance to the regulatory requirements and assessment of compliance methods.

Another priority area Mr. Boullioun proposed for regulatory review is that of the flight testing required and the test methodology used in the case of noise. He said that the cost and effort in this area are not warranted by the quantity of data collected and that it does not improve the community noise situation.

He also suggested that the area of engine emissions is overregulated. The industry has recommended to the Vice President's Regulatory Review Commission that efforts to regulate aircraft engine emissions be stopped.

The next topic Mr. Boullioun discussed was airport development and the need for integration of the various modes of public transportation. He pointed out the importance of creating transfer stations instead of terminals.

He went on to say that the FAA needs to redirect its efforts on a scale

that will meet the problems it has to resolve. To accomplish this, he said, FAA must strengthen its leadership; increase its credibility; expand its funding; delegate as much as possible of the detail work to industry; and create and use appropriate advisory, technical and planning groups. He pointed out that changes to the funding process should reflect the master plan and priorities.

In closing, Mr. Boullion reiterated that he does not desire wholesale deregulation. He feels the Government must retain overall responsibility for system development and the funding thereof and continue with even stronger leadership.

# Deregulation— How Far Should the FAA Go?

## Group Discussion:

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Mr. Thomas Raffety of the Airport Operators Council International opened this discussion period by applauding Mr. Boullioun's comment on the need for an FAA master plan. Mr. Raffety then suggested that FAA should have a master plan for each airport, just as FAA requires of each airport operator.

Speaking specifically to deregulation—i.e., not defederalization, but the actual regulations imposed on airports—Mr. Raffety said it involves the airlines, the government, aircraft manufacturers and airport operators. He said none of these elements can exist without the other; and although airports are involved, deregulation speaks only to the airlines. He also said that all of the rights are given to airlines—the rights of entry, the rights of departure—and that none are given to airports.

Continuing, he commented that under the issues discussed, there were four items mentioned: regulatory functions of FAA, rulemaking, certification, surveillance and enforcement in accident investigation. He stated he does not believe there is any responsible airport operator who is not in favor of certification of anything concerned with safety. What is objected to, however, is the wasteful duplication of regulatory examinations by two Federal agencies. He feels this is not only a waste of money but also of time.

Mr. John Baker, Aircraft Owners and Pilots Association, stated he agreed with almost everything Mr. Boullioun said in his talk. Mr. Baker pointed out that without Federal assistance, little progress will be made on the noise question and the ramifications that flow from the noise issue. He also stated that the advantages of aviation are going to be curtailed dramatically as a result of

a lack of impetus at the Federal level, from which it should be supplied. Mr. Baker said that if the Federal Government cannot be looked to to give that impetus, there will not be an airport system that is going to meet the needs of the traveling public and the user.

Mr. Edwin Colodny of USAir said Mr. Boullioun's suggestion that the Federal Government should preempt noise regulation at airports is a good idea.

Mr. John Winant of National Business Aircraft Association said he construed Mr. Boullioun's comments on space allocation as meaning that there should be a means devised whereby the needs of the various types of users can be accommodated. He said the opposite of that would be very negative and would imply priorities would have to be set for the way the airspace is used.

On the subject of the Federal Government and preemption of noise regulation, Mr. Winant agreed that this is a very interesting possibility. However, there is the question as to whether preemption exists. He stated that, in the view of NBAA, if this Administration does one thing and one thing only, the vigorous pursuit of this question would be the most significant of all.

Mr. Colodny responded to this statement by adding that when the Federal Government walks away from certain types of regulations, local authorities often step in with even more burdensome and conflicting regulations, creating more cost to the economy than is vacated by the Federal side.

Mr. P.F. McCloskey of Electronic Industries Association stated he thought it would be very useful to have a planning conference solely devoted to the air traffic control

system. He said it would be useful to the suppliers as well as FAA to have this conference in a relatively short period of time.

Mr. Russell Meyer, Cessna Aircraft Company, commented that he agreed with Mr. Boullioun that we really do not need deregulation, that the present regulations are fine. He believes that what is needed are more quality people who can look conceptually at what is being done and understand the final results. He said too many people are now looking at the nuts and bolts and that really doesn't change anything. The responsibilities for the nuts-and-bolts work can be delegated.

Mr. Gordon Titcomb from Pratt and Whitney made several points during the discussion. Regarding deletion and simplification of certification rules, he stated that this task will take quite a bit of effort by FAA and industry, and he would like to get started on it as quickly as possible. He also offered to support it with the necessary assistance from industry. Secondly, he offered to support the FAA in any way on a coordinated basis in preparing Congressional testimony.



**Honorable Elliott H. Levitas**  
**House of Representatives**

Mr. Levitas announced that he was going to depart from the specific subject and talk about a broader area of concern. His focus would be on what FAA ought to be doing and ought not to be doing, what it's doing right, and where it is not doing very well. He pointed out that part of his discussion would relate to the promotional role of FAA.

Mr. Levitas expressed his concern of many years that FAA has had trouble in setting its priorities and in carrying out its primary responsibility of regulating and overseeing aviation safety. This conclusion is based on a number of considerations such as the time lag between the identification of an aviation hazard and corrective action being taken by FAA. Based on his examination of FAA's operations over the last several years, Mr. Levitas' perception is that FAA is totally lacking in any long-term, coherent planning process that looks ahead and identifies problems rather than reacting to them.

He went on to point out that when FAA does regulate, it writes its regulations to fit the present state of the art. Thus, he said, there is no challenge to the aerospace manufacturers to design and improve technology. He commented that he has had witnesses come before his committee from industry stating they were dealing with technologies far in advance of the regulatory standards which FAA was putting in place. Mr. Levitas said that industry would like FAA to come forward and tell them, within reason, where they ought to be.

# What Should be the FAA's Role in Encouraging and Fostering the Development of Aviation and Helping U.S. Airframe Manufacturers be More Competitive with Foreign Manufacturers?

then they could design and achieve those goals.

Mr. Levitas wanted to know why FAA always seems to make rules after a tragedy has occurred instead of promulgating rules that would insure safer passage beforehand. He stated that even when the problem has been identified, FAA's response has frequently been that you cannot legislate technology. Mr. Levitas raised the issue as to why FAA regulation and rulemaking continue to be reactive.

Congressman Levitas commented that in 1979 he requested the General Accounting Office to do an investigation and a report on the FAA. The GAO report was released in February 1980, after a full year of study, and it substantiated his beliefs that the core of FAA's problem is not knowing what its priorities should be. Subsequently, the Secretary of Transportation asked the National Academy of Sciences to also do a study on FAA. That report was released in June 1980 and stated, "The FAA rulemaking process is mainly reactive to either the needs of safety as determined from accidents or to new technologies as identified by manufacturers." Mr. Levitas noted that this report also found that FAA has management problems.

Part of the problem the FAA has, Congressman Levitas suggested, stems from its dual responsibility under the law to promote civil aviation and at the same time provide for its safety. Consequently, Congressman Levitas said that he had introduced H.R. 816, which places the nonsafety-related functions of FAA elsewhere within the Department of Transportation. He said the FAA needs to be restructured in order to

assure that its safety mission is primary. He believes that unless the FAA understands that its sole purpose is the regulation and provision for safety in the aviation industry, there will be a continuation of past problems.

While some people have asserted there are not many nonsafety functions at FAA, Congressman Levitas said he has identified a considerable number of nonsafety functions and cited the Airport Development Aid Program as just one example. He said that functions of this nature are diversions from the basic issue of safety and consequently they result in a diversion of resources.

He discussed his concern regarding the problem of fatalities in survivable accidents. He said the FAA has known since the 1961 accident in Denver that passengers were surviving impact only to be killed by toxic fumes from cabin materials while attempting to evacuate the aircraft. However, in the 20-year period since that accident, Mr. Levitas affirmed, the FAA has still to promulgate safety standards dealing with this problem. He said this has been, in part, a consequence of a fragmented approach by FAA. Although FAA did appoint an advisory committee known as the "SAFER Committee" to improve this situation, Congressman Levitas charged that the SAFER Committee was an example of what is wrong with FAA's response. This committee, he stated, was an idea initiated by the industry that was supposed to be regulated and whose real intent was the deferral of action on safety regulations.

Another safety issue Mr. Levitas identified is the capability of aircraft seats and seat belts to withstand impact forces.

On a positive note, Congressman Levitas stated that he feels there is an opportunity to make changes during the administration of Lynn Helms. He said he was extremely gratified to hear the announcement by FAA that it will take some interim action on the collision avoidance system even as further research is being done to develop the best possible system. He stated this is a harbinger of better things to come because it is a decision, not a postponement.



**Edward W. Stimpson  
President  
General Aviation  
Manufacturers Association**



# What Should be the FAA's Role in Encouraging and Fostering the Development of Aviation and Helping U.S. Airframe Manufacturers be More Competitive with Foreign Manufacturers?

Mr. Stimpson began by stating that the level of foreign competition is great. He said there is strength and vitality in the competition provided by foreign manufacturers and their governments. He pointed out that numerous foreign governments have demonstrated their willingness to spend hundreds of millions of dollars subsidizing aircraft development and production programs. He said their aggressiveness is further demonstrated by highly subsidized financing programs, including no down payments and very low interest rates which cannot be matched by U.S. manufacturers.

Mr. Stimpson stated that Senator Barry Goldwater, upon his return from the Paris Air Show, pointed out the progress made by our foreign competitors. As the President's official representative, Senator Goldwater called upon the U.S. Government to provide more incentives for U.S. manufacturers and to create an environment of fair trade in the aviation industry, which is extremely important to this country.

Continuing, Mr. Stimpson pointed out that historically FAA's role in promoting aviation has been important. He said that a regulatory environment that has allowed aviation to develop and grow economically and technically while enhancing safety has been perhaps the most vital ingredient our government has contributed to the development and progress of aviation.

He pointed to the fact that industry and government have worked together in the United States. However, he feels that the adversarial relationships that have developed in recent times are unfortunate and counterproductive. He said that this is particularly true in view of what foreign manufacturers have been able

to accomplish with the close working relationship and full support of their governments. Mr. Stimpson stated that a strong and competent FAA with dynamic and decisive leadership is in the best interests of everyone. He said that while the manufacturers do not always agree with the FAA, they do want decisions to continue to be made on a technical basis, not on the basis of politics.

While it has been charged that FAA's promotional role degrades or detracts from its safety responsibilities, Mr. Stimpson stated that the FAA promotional role, in his view, is quite limited except for those aspects relating to safety. Mr. Stimpson went on to suggest some things that might be regarded as promotional by some, but also are compatible with the FAA's role as a regulator of aviation safety and the operator of the Nation's air traffic control system. For example, he said, while trade matters may appear to be beyond the day-to-day FAA operational and safety activities, he believes FAA does have an interest because it is highly involved in the international arena. He pointed out that at this time when foreign competition is getting increased support, our government is withdrawing its support to U.S. industry in many areas. He believes that to reduce unilaterally our assistance to the Export-Import Bank, while others are continuing to expand their efforts, makes no sense unless we have enforceable international agreements regarding export subsidies.

Mr. Stimpson stated that in 1981, the United States general aviation sector will export less than at any time since 1972. He noted that for the first five months of this year, exports are running 27 percent behind 1980. He

said that part of this decline is attributable to the inflationary and recessionary economies of various countries as well as the strengthening of the dollar; another part is attributable to trade barriers or virtual embargoes that have been erected by various nations. Mr. Stimpson said that another reason for our decline in exports is government-to-government trading by other nations.

Consequently, he said, the FAA should be playing a role in the formulation of coherent, consistent, and well-understood U.S. policy in the trade of civil aircraft. Mr. Stimpson pointed out that the agreement on trade of civil aircraft, which was negotiated as part of the multilateral trade negotiations, provided a framework for the trade of aircraft in the decade of the 1980's. Under this agreement, nations pledge to reduce their tariffs to zero and eliminate nontariff barriers and, in addition, eliminate subsidies that are reflected in the selling price of an aircraft or product. Mr. Stimpson stated that the entire aviation industry had embraced this agreement as an important step toward achieving fair trade; and on January 1, 1980, the United States reduced its tariffs to zero and has worked to reduce nontariff barriers.

He stated, however, that not all aircraft manufacturing nations who are signatories to this agreement are reaping its advantages. He pointed out that some nations selling without restrictions to the United States are limiting access to their protected markets. Mr. Stimpson stated that a consistent and coherent government policy to enforce the aircraft agreement should be developed, and FAA should be part of it.

On the subject of loan guarantees, Mr. Stimpson asked why the FAA should guarantee loans which assure

financing at a much lower rate than is available without a guarantee when a nation is not abiding by the international ground rules. Mr. Stimpson stated that if an aircraft loan guarantee program exists, it should help U.S. manufacturers to develop aircraft that can compete against foreign-assisted manufacturers; and it should be much less restrictive and do more in assisting operators to purchase new aircraft and develop their markets.

Mr. Stimpson then asked why investment tax credits and other tax advantages should be made available for aircraft from nations that are not party to and don't comply with the international agreement. He said the aircraft agreement should be a meaningful document and not one that the U.S. observes while others ignore with no adverse consequences.

On the subject of airworthiness, Mr. Stimpson stated that a more aggressive role could be taken by FAA in contacting international airworthiness authorities and explaining to them the reasoning behind FAA regulations. This would serve as a means of supporting U.S. manufacturers who often need assistance with foreign airworthiness authorities. Mr. Stimpson said that over the years the U.S. has been the leader in airworthiness, and it is important to keep it that way. He believes more communication is needed between the FAA and their foreign counterparts in the development and interpretation of standards. He stressed that uniform and coherent airworthiness standards and better understanding between nations is the necessary goal.

In addition, he suggested the revision of some current U.S. certification procedures to assist U.S. manufacturers in our increasingly competitive environment.

Mr. Stimpson also pointed out that FAA has been publishing in the *Federal Register* detailed information on specific airworthiness certification. This procedure is making manufacturers' proprietary information available to foreign competitors. He suggested these practices be curtailed immediately and the entire procedure be reviewed with a view to guarding against the release of this information.

Mr. Stimpson's final recommendation was for FAA to reassert itself in the international arena by having a conference or series of meetings with its counterparts throughout the world. He stated the agenda should focus on international cooperation in aviation involving both industry and government.

# What Should be the FAA's Role in Encouraging and Fostering the Development of Aviation and Helping U.S. Airframe Manufacturers be More Competitive with Foreign Manufacturers?

## Group Discussion:

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Mr. John Baker of Aircraft Owners and Pilots Association stated that the FAA does not have the ability to attract quality engineering talent because it has not kept up with the state of the art. He said FAA does more verification than exploring. He feels that if FAA is forced to join hands with industry, there will be less progress and ultimately less safety because of compromises that would inevitably be made to satisfy political pressures. The second point Mr. Baker made was that he believes the diffusing of responsibilities into DOT in 1972 has watered down the autonomy of FAA and its efficiency.

Mr. Brian Rowe of General Electric pointed out that Boeing, Douglas, Lockheed, Pratt & Whitney and General Electric are spending billions of dollars on technology in conjunction with NASA, FAA, the Air Force and the Navy. He said that our technology level is still number one in the world. He predicted that we will be seeing airplanes and engines being developed in the U.S. that can compare favorably with our foreign competition.

Mr. Robert Richardson from Helicopter Association International stated there is a need for the FAA to develop international helicopter airworthiness certification standards. In addition, he suggested the FAA objectively review certification procedures with U.S. helicopter manufacturing representatives, which should help improve the U.S. helicopter industry's competitive position in the world-wide market and result in substantial savings to both industry and to the FAA.

Mr. Duane Ekedahl from the Commuter Airline Association of America said the commuter airlines are buying foreign-built aircraft because at this time they are the best aircraft to meet their needs. However, he pointed out, the interesting thing about these aircraft is that the engines seem to be built in the United States, the avionics to a large extent are built in the U.S., the flight controls, and so on. Because of this fact, Mr. Ekedahl suggests that the FAA be cautious about jumping into this arena.

Mr. Thomas Raffety of the Airport Operators Council International stated that he agreed with John Baker's remarks on this subject. He then addressed the subject of flammability and stated that the Air Line Pilots Association had conducted tests which showed the danger lay not in flammability but in the toxicity of the smoke and gases from the upholstery and other fittings. He asked whether this problem had been addressed by the manufacturers.

Mr. Tex Boullioun from Boeing Commercial Airplane Company answered Mr. Raffety's question by saying they have yet to find light materials that are completely toxic free.

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**Karl G. Harr, Jr.**  
**President, Aerospace Industries**  
**Association of America, Inc.**



# What User/Information Services Should Continue After CAB Abolishment?

Mr. Harr began his talk by pointing out that CAB aviation statistics have been available to U.S. manufacturers of commercial airframes and engines and allied industries for over 40 years; and as a result, airline equipment research, analysis, and development methods have been established which are so dependent on the existence of parts of this data that this data has become a public necessity. Mr. Harr also made the point that, because this is a period of time when the aviation system will be radically changed due to deregulation, losing this data would be very undesirable.

With the sunset of CAB, Mr. Harr said, the manufacturers are concerned that some of the data essential to design and business decision processes may no longer be available. Therefore, he stated, Aerospace Industries Association established a project team to define the information essential to its analytical processes and coordinate with government agencies and other industry users.

Mr. Harr went on to say that the AIA believes the burden of reporting by the U.S. airlines must be reduced. He pointed out, however, that the impact on the public and the aviation and light manufacturing industries must be considered in establishing what constitutes essential data. He said they believe an 80 percent reduction in former reporting requirements can be achieved while still providing minimum essential data.

Mr. Harr then described the many ways the industry makes use of the CAB data, e.g., determining design requirements for new and derivative aircraft models; monitoring traffic and

operating-cost trends so that design studies can be directly related to future airline needs; developing analytical capabilities to support the business decisionmaking process and resulting resource commitments. He noted that the currently reported CAB statistics consist of traffic, operating costs, and financial data for all major U.S. carriers and are the principal source of reliable, consistent and timely statistics.

Mr. Harr emphasized that the data collected and reported by the CAB are the only data that can be used to define representative costs, revenues and traffic for the industry and domestic markets. He said hundreds of millions of dollars have been invested to develop sophisticated analytical capabilities that rely on CAB statistics, and to eliminate these would result in the major loss of analysis capability and the obsolescence of a proven methodology.

One suggestion made by Mr. Harr was that as a means of reducing cost, consideration should be given to combining the data currently reported by the airlines with the data collected by the FAA. He pointed out, however, that the data on delays, terminal area forecasts, and profiles of traffic and air carrier operations should be retained.

Mr. Harr stated that the emphasis on deregulation that expedites the sunset of the CAB appears to be resulting in the CAB's ignoring the valid, nonregulatory requirements of both government and the private sector for some of the data, which is less than 20 percent of the total required under regulation. He also

indicated that manufacturers have not really been very well heard on this subject.

In closing, Mr. Harr made three recommendations. First, he recommended that legislation be enacted to authorize the Department of Transportation to collect and require air carriers to report minimum essential data. The second recommendation was to require the Department of Transportation to adopt procedures in conjunction with the airlines, airframe and engine manufacturers, government agencies and other interested parties to define the minimum essential data while reconciling costs and benefits. And the third recommendation was to define minimum essential data as that for which no timely cost effective alternative is available. He stated his willingness for the manufacturers to pay for such data and pointed out the need to work out a system for adequately compensating the producers of those statistics.



**Paul R. Ignatius**  
**President and Chief Executive Officer**  
**Air Transport Association of America**

# What User/Information Services Should Continue After CAB Abolishment?

Mr. Ignatius opened his remarks by stating that he would talk informally since the background of this issue had already been described by Mr. Harr.

He then stated that most of the data required by the CAB is essential data necessary for the CAB to carry out its two traditional and principal economic functions: those related to hearings on routes and those related to the regulation of rates. He said that over the years, there have been derivative benefits from this and derivative uses for the data. He also pointed out, however, that this data has been provided in far greater detail by the airlines than is probably required from any other industry.

Continuing, he pointed out that Section 407 of the Federal Aviation Act empowered the CAB to secure a broad range of traffic and financial data from the airlines. Mr. Ignatius said this power to seek and secure information from private companies, and to inspect their records and property, had justification under the utility-type regulations applicable to the airlines before deregulation but that these requirements will not exist in a deregulated environment. He noted that the Airline Deregulation Act of 1978 is silent on the provisions of Section 407 of the Federal Aviation Act regarding data reporting requirements, the form of airline accounts and records, and the inspection of accounts or property. He said if the intent were to maintain

these provisions, the Act is unclear as to which agency of government will assume jurisdiction after CAB sunset.

Mr. Ignatius went on to state that he feels the Federal Aviation Act should be amended and that Section 407 should be changed so that airlines are treated like other businesses, consistent with the aims of deregulation. He said this is particularly important with respect to financial information.

On the subject of what functions should remain after the CAB sunset, Mr. Ignatius acknowledged that the Department of Transportation will be the recipient of some of the functions; and to carry out its responsibilities under the law following the sunset of the CAB, it will be necessary for DOT to collect some data. He said he did not think the airlines would take the position that there should be no data provided. However, they do believe it should be a minimum amount and that it should not be the broadside requirement present today. He stated the airlines have no problem with providing the residual information needed by the DOT, for example, to carry out whatever remaining functions under the law are enacted.

In addition, Mr. Ignatius said the Air Transport Association, through its economics and finance department, will continue to collect some information. He said the ATA needs to do this on behalf of the industry it

serves and because it testifies often and makes public statements which must be based on comprehensive, accurate and reliable information.

With regard to the public users of this information—e.g., the analysts in the financial field and the manufacturers—he stated he would oppose the notion that the Government should obligate the airlines to continue to provide the information under the present terms in order for these users to have the privilege of data that has been provided essentially for another purpose. He pointed out the need to look at this situation carefully. As an example, he said, the relative or actual costs of operating different types of equipment may be regarded in the highly competitive atmosphere that is now prevailing as more in the field of proprietary data.

In summary, Mr. Ignatius reiterated that there are certain residual uses for data that the Government will require, and those uses will have to be met but with a minimum rather than a maximum amount of data. Secondly, the ATA will continue to do certain things on behalf of the industry. And thirdly, in this broader area of obtaining data not required by the Government or not provided privately by ATA, he believes there may be opportunities to work something out,

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keeping in mind that the aviation industry no longer falls in the category of a public utility. Rather, it is a highly competitive industry and data that was formerly treated as public property may now be proprietary information.



# What User/Information Services Should Continue After CAB Abolishment?

## Group Discussion:

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Mr. David Heymsfeld of the House Committee on Public Works and Transportation suggested that since this issue is going to be coming before the House Public Works Committee the basic approach for the witnesses to take would be to respond to the question, "Why is the aviation industry different from all other unregulated industries?" And, "Why is there some special need for data collection?" If there are reasons why aviation does need special treatment, he feels the committee will be sympathetic to those concerns. In any case, he stated, the questions need to be addressed.

Mr. Karl Harr of Aerospace Industries Association, in response to Mr. Heymsfeld, said they certainly would take the position that there are unique aspects to the process of producing a product that make it in the customer's interest not to have aerospace industries make bad decisions. He also said a good case could be made that accurate data is in the public interest because of the heavy risk capital involved and because of the direct relationship between a reasonably good decision and survival of the U.S. air industry. The airlines, in his opinion, should also be highly motivated to provide good information. He emphasized that good information will not be available in the future if it is collected on a helter-skelter basis.

Judith T. Connor, Assistant Secretary for Policy and International Affairs, Department of Transportation, suggested that since the date of the CAB sunset has been proposed to be moved up from 1985 to 1982 or 1983, and there has not been much dialogue on the impact of deregulation, it has caused some degree of panic on both sides. She said what is not wanted is specific

direction in legislation or by Congress as to what has to be collected and where it would be collected. She stated that she believes there will be about 18 months before the residual functions from CAB are assimilated. Rulemaking might be initiated which would require a long period of time to conduct an orderly evaluation of what data is needed, what the burdens would be, and who would pay for it. She stated further that data collected by the Government which is not specifically for the purpose of continued regulation could possibly be made available at a fee to the users.



**Clifton A. Moore, General Manager  
Los Angeles Department of Airports**

# Major Hub Airports Sharing Revenues With Reliever Airports

Mr. Moore commented that, in his opinion, we have legislation which is appropriate to defederalize airports and regrets that it does not appear that the passenger ticket tax will be reduced commensurately with the defederalization aspects of the program. He said he greatly believes that the one thing that will save the air transportation system from the fate of the railroads is its independence from Federal revenue support and hopefully—at least in the major elements of the system—development of a system that is dependent entirely upon user revenues. He affirmed that by so doing, both on the airline and on the airport side, we will become masters of our fate and better able to meet the market demand without outside interference.

He went on to say that while he had been traveling on business for the past several weeks he had noted with some alarm some things beginning to appear or which may appear that he is disturbed about; namely, that there may be efforts, along with defederalization, to put back in place at defederalized airports some of the very controls that we tried to avoid by defederalization. He believes this is wrong and that we have to trust the major airports in the country to have some reasonable judgment about how they conduct their affairs, because most cities—with one or two exceptions—want the air transportation business developed as badly as the airlines.

Mr. Moore stated that large defederalized hubs must be able to decide, within reason, the scope of passenger-facility charges to be used for airport purposes if, in fact, we are going to fund reliever airports. He believes that attempts to control the ability of large hubs to finance needed projects by limiting passenger-facility

charges are not appropriate to the situation. He said that, in his opinion, the standards of reasonableness and nondiscrimination in Senate Bill 508 are adequate protection for the airlines and other parties involved, except the airport proprietors. He also feels that dollar cap limits and other devices are not necessary. He went on to say that in many cases, airline agreements at the major hubs, the way language is currently constructed, will prevent the implementation of passenger-facility charges at the defederalized large hubs simply because of the clauses contained in the standard airline/airport agreements. He pointed out that if we are, in fact, truly going to defederalize these facilities, some sort of "notwithstanding clause" will have to be added to the legislation so that the true implementation of the language and the intent of defederalization can be carried forth.

As an example, Mr. Moore cited the Los Angeles Airport Commission, which has strongly supported reliever airports. He pointed out that Van Nuys is the largest airport exclusively dedicated to general aviation operation, and it is paid for through the Los Angeles Airport Commission's funds. In fact, he said, each operation there is subsidized to a small degree by revenues developed at LAX. The Los Angeles Airport Commission is also developing Ontario International Airport. He said these attempts will be burdened if defederalization is enacted and severe restrictions on passenger-facility charges are placed. Mr. Moore maintained that, in the final analysis, if the real intent of defederalization is to be reached, it cannot and should not be circumvented by using severe restrictions on the passenger-facility-charge method for developing the necessary funds for decisionmaking.

Mr. Moore went on to say that he does feel that with a flexible passenger-facility charge at hand it is possible for the large hubs and the airlines based there, working in conjunction with state, regional, and Federal planners, to work out satisfactory programs for threatened reliever airports to assist in diverting traffic from the large hubs.

Although he said he had not intended to bring up the subject of noise in his presentation, Mr. Moore did say that he felt they had all worked very hard in the area of noise. He commented that in Los Angeles, despite many years of legal and social and political attack, they have still continued to keep the airport operating; they have not only kept it open, they also have not interfered, as yet, with one scheduled operation during this period of travail. However, he said, they are running out of "bullets"; and the political pressures do not go away but become stronger all the time. He suggested that one case in point was the recent action by their city council in insisting that they place nighttime restrictions at Van Nuys Airport for the first time. He is concerned about that kind of creeping encroachment; and with the influx of studies that are going on now, it is only a matter of time until we have to face foursquare the issue of attempts to place restrictions on a major airport.

Mr. Moore reemphasized that this is wrong, because there are major elements in the national air transportation system and these elements have to be protected if we are going to have a viable economy.

Mr. Moore closed by stating that while keeping airports open may be our second problem, the primary reason we are talking about it is the inability to finally settle once and for all the political and social problem of noise.

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**Percy A. Wood**  
**President and Chief Operating Officer**  
**United Air Lines, Inc.**



# Major Hub Airports Sharing Revenues With Reliever Airports

Mr. Wood said he was pleased to have a chance to talk about the funding of reliever airports; there is a lot of work going on now between Congress and the Administration in trying to develop thoughts and methods as to how it should be done. From their perspective, they believe it is too early to try to lay out the alternatives that are available for funding the relievers. So, Mr. Wood said, he would like to spend a few minutes raising some of the issues that are involved in funding reliever airports and later in the discussion stimulate a broad review which would get closer to a possible final solution.

He said it is clear to just about everyone that our National Aviation System needs reliever airports to give general aviation a choice. Commercial aviation has to use commercial airports; but certainly, he said, to the extent that we can make reliever airports available and properly equipped, general aviation can choose to use those relievers. And thus more use of relievers will free capacity at the other major commercial airports across the country, which will increase the capacity and efficiency of the entire air network.

Mr. Wood said the question is not whether to fund relievers, but how to provide the funding. Today, reliever airports are being funded, in part, by landing fees that the commercial airlines pay at a number of commercial airports. He agreed with Cliff Moore that another way to do this is through a fund fed by the airlines themselves. He said the third possibility is to get Federal funds through the ADAP system. And the fourth possibility is to fund reliever airports from passenger-facility charges levied on the passengers at large commercial airports.

On the issue of landing fees paid by commercial airlines at hub airports, Mr. Wood said that those landing fees already cover the operating losses and the capital improvements at some of the reliever airports across the country. He went on to say that in their own particular case, their landing fees at ten airports support operating losses at reliever airports in those localities and that in some cases at those airports landing fees are also used for capital improvements. He suggested that agreements between the airlines and the operator of a commercial airport could also provide money to go to a reliever, and he thinks that those kinds of agreements can be reached. He reiterated what Cliff Moore had mentioned earlier: that the commercial airport and the reliever airports that get money in this fashion are run by the same operator.

Mr. Wood said that he doesn't think that these conditions necessarily have to hold for them to agree among themselves and the carriers to support other reliever airports. He suggested that in so doing, an independent airline fund would have to be set up without the operator of the commercial airport at that location getting involved. He believes this fund could be set up without any new law and that it could be set up without active involvement of any level of government with one possible exception—the carriers that entered into such an agreement would probably need some kind of antitrust immunity to set up the fund and run it.

He said the carriers could contribute to the fund based on their operation at the various hub airports, and the money could go to the reliever airport for any purpose that they believed would succeed in enticing general aviation traffic away

from the hub. He added that reliever airports that get money from the fund would not necessarily have to be run by the commercial airport.

Mr. Wood said that this kind of funding has never been done and it would probably be very difficult to accomplish unless all of the carriers at a given hub airport could really agree that congestion had gotten so bad that it was intolerable and there was no other choice of funding in sight.

As another alternative, he suggested funding through the Federal ADAP program. He pointed out that both the Senate and the House are considering ADAP bills that would provide a realistic amount of money for the reliever airports. The Senate Bill specifies no less than \$225 million over a five-year period for relievers; that is \$45 million a year. The House Bill would provide no less than \$169 million over the same period of time. He stated that kind of money, if properly spent, could really reduce congestion at major hubs by attracting general aviation to the reliever airport. He noted that both the Senate Bill and the House Bill recognize that the public interest is served by good reliever airports, whether these airports are privately owned or owned by a Government entity; so both bills would make privately owned reliever airports eligible for Federal funds for the first time. Additionally, he said, both bills provide for aid to reliever airports under what is called the primary hub concept. Standard metropolitan statistical areas that enplane a certain number of commercial passengers would be designated primary hubs. All commercial and reliever airports within a metropolitan area could agree to a consolidated airport development fund for a plan for that

area. To implement the plan under the Senate Bill, the eligible airports would get ADAP funds—50 cents for each commercial passenger enplaned in the area up to \$5 million a year. The House Bill would provide 45 cents for each commercial passenger. Mr. Wood stated that getting all airports within a metropolitan area to agree on a comprehensive plan would certainly require a high degree of statesmanship on the part of all parties to the plan. He said he has not seen that kind of statesmanship come forward so far. Mr. Wood pointed out that if the airports cannot agree and that statesmanship doesn't emerge, the relievers are going to have a much tougher time in obtaining any funding.

Continuing, he said the legislation, as reported out by the Senate committee, would defederalize the country's biggest commercial airports. The Senate Bill would make the country's biggest commercial airports ineligible for ADAP money. So in those areas with a consolidated area development plan and a defederalized commercial airport, the whole Federal allotment under the primary hub concept could go to improving relievers and smaller commercial airports.

Agreeing with what Cliff Moore had said earlier, Mr. Wood reiterated that one of the things to be very careful of in the wording of any of this legislation is to make sure that reliever airports are not automatically precluded from getting ADAP money just because they are owned by operators of a defederalized airport.

Another method discussed was the passenger-facility charge which could be imposed on passengers at defederalized commercial airports. He said that some people have claimed that if big, commercial airports cannot

get ADAP money, landing fees paid by the airlines could not be increased sufficiently to pay for all the needed airport improvements; so the facilities charge on passengers has been proposed. He said the proponents of such charges seem to recognize that if those charges are imposed some of the proceeds could go to pay for improvements at reliever airports.

But, Mr. Wood stated, they will not agree with the proposition that landing fees cannot go up enough at defederalized airports to pay for the necessary improvements. He is not convinced that defederalized airports cannot adequately be financed without resorting to a direct facilities charge from the traveling public. He said the objective is to preserve and improve this country's total air transportation; and he is still looking at the pros and cons of the various alternatives that have been proposed. In closing Mr. Wood said that, as he mentioned before, there are four ways to go about it and he welcomed a discussion by the group of the pros and cons of those four alternatives.

# Major Hub Airports Sharing Revenues With Reliever Airports

## Group Discussion:

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Ms. Mary McAuliffe of the Senate Aviation Subcommittee staff responded to Mr. Moore's concerns that taxes would not be reduced as we defederalize and allow passenger-facility charges to go in at the airports. She stated that in a bill introduced by Senator Kassebaum and Senator Cannon, which is pending in the Finance Committee, a three percent ticket tax is provided for. The ticket tax is now five percent. That three percent would enable a five-year expenditure program under that bill's funding levels. It would also draw down the surplus in the trust fund which is now about \$3.6 billion. Ms. McAuliffe stated further that the Senators' goal is to get the trust fund surplus down. It is also their goal to take those airports that can work with the airlines in funding their own programs out of the Federal funding program.

The revenues from the passenger-facility charge that they would permit the airports to impose would be devoted strictly to capital expenses.

All of the revenues at the airport would have to be dedicated to operating and capital expenses and would be used only for on-airport purposes.

Initially, she continued, as the bill was introduced they decided that two businessmen—the airlines and the airports—could work together and work out their arrangements. They have worked out landing fees, and they have worked out how the airport is to be used. The subcommittee decided they could also work out the amount of the ticket tax, or the passenger-facility charge, if the airport decided to impose it.

Last year when the bill was introduced, they did not permit a passenger-facility charge because they felt that the airport operators would be able to work with the airlines by just increasing landing fees. Frankly, they would still like to see that done. But they have heard the airports' concerns about a passenger-facility charge and their concerns that

they will not be able to continue with their capital expenses. Accordingly, they have given them the option of imposing a passenger-facility charge in consultation with their users.

Mr. Thomas Raffety of the Airport Operators Council International pointed out the following: (1) The airlines and the airports are not partners, and (2) the customer of the airport is not the airline but the passenger. Proceeding with that point of view, he said, he thought they needed to talk about who is the user of the airport. Obviously, it is anybody who uses the airport for commercial purpose or even someone who comes to make a sightseeing trip. The passenger-facility charge, in its true form, is laid upon the passenger or whoever is coming into the airport for the purpose of defraying the expenses the airport incurs when that person comes on the airport.

A user charge, Mr. Raffety continued, is a landing fee and is precisely for the same purpose. Unless we are talking in terms of a tax to be imposed upon the user—a passenger—it is prohibited by statute in many states; e.g., in Texas, for a municipality to give a gift to another jurisdiction. And if a passenger-facility charge were collected by the airport in San Antonio, Texas, and then freely given to an airport in New Braunfels, Texas, it would then be a violation of the statute. So, he said, we must be rather careful when we talk about all the various things that we are going to do.

Mr. David Heymsfeld of the House Committee on Public Works and Transportation staff wanted to state for the record that the House is strongly against defederalization and that their bill, reported out of committee, does not have defederalization in it. It continues the existing program.

Mr. Dawson Ransome said on behalf of the commuter airlines that they are quite concerned about defederalization at the airports. He feels there is a measure of security in the Federal presence. Commuter airlines are not certain that they have the ability to negotiate to the degree that the major airlines might. He said that he can see where landing fees relate to weight and where ticket tax relates to the fare that you collect. But in their case, if they were to pay a head tax it wouldn't relate to anything as far as they are concerned. And the economic impact on the commuters would be very severe. They are also concerned about their ability to collect a head tax, not only at the airport that they are serving but also for the airports they write tickets on. He stated that the commuter airlines are just not equipped to handle this kind of administrative burden.

Mr. Robert Richardson of Helicopter Association International stated that they had been talking only about reliever airports and reliever runways. Let's not forget about reliever heliports, he said. Helicopters can contribute to the off-loading of major hub airports in future commuter short-haul operations. And, he said, heliports should be considered as a significant future element in our transportation system and should receive the same consideration for any revenue sharing as other reliever airports. Mr. Richardson commented that there is little or no awareness of fostering heliport planning and development in the FAA district airport office.

Ed Stimpson added that one thing that is becoming very clear is that the money necessary for reliever airports is more than any of us anticipated. He



pointed out that we have some big funding needs.

Mr. Stimpson stated that now that the Administration is cutting back to \$450 million annually for civil airport development, it is a good time to make a pitch for underutilized military airports— e.g., Hamilton, Davison and Willow Grove—and find a method by which we can get these military facilities into the civil inventory before GSA declares them surplus.



**John L. Baker**  
**President**  
**Aircraft Owners and Pilots Association**

Mr. Baker began by stating that he felt that a more appropriate topic than the selected one of labor intensive versus capital intensive would be heavily automated or labor intensive. The future will require both automation and people.

He said that the air traffic system will accommodate all of the air carrier traffic now and in the future, but the thing that is unsettled is the fact that general aviation has grown dramatically. A number of reasons have caused this growth. First, he pointed out, the utility of the airplane has gone up because the manufacturer is producing a better product. Then, too, deregulation has caused the small and intermediate sized communities to suffer a loss of reliable and frequent service. Finally, man traditionally opts for that piece of equipment that is going to buy him the one nonnegotiable commodity he has time. General aviation, Mr. Baker said is the best time machine he can think of for the executive or the businessman or anyone else who has legitimate travel requirements.

So when you look at the air traffic problem, Mr. Baker stated, the first thing the air carriers ought to consider is what general aviation has done to them and what they have done to general aviation in return. He said he isn't sure that it hasn't been a "tit for tat" kind of situation to date. Unhappily, he said, both have been losers because they have not approached the problem as an aviation community. He believes that each has approached it from its own narrow, vested interest, with poor

# Air Traffic Control System of the Future: Labor Intensive Versus Capital Intensive

results instead of an efficient air traffic system which solves all needs. Mr. Baker stated that there is plenty of airspace to get the job done if the right initiative and enthusiasm were brought to the problem.

He said for the high performance aircraft—if, indeed, their operations are restricted to high altitudes with protected airspace in and out of hub areas—a strategic air traffic system will work, and may, in fact, be the answer. He thinks that segregating high performance airplanes is not an unrealistic demand.

He noted that the evolution of general aviation in the system over the years has changed very subtly, and he believes the aviation industry has not been sensitive to it. He emphasized that general aviation people are using that machine because it buys time and because it has utility.

Mr. Baker stated that basic to the discussion must be a realization that what has prevented a meaningful dialogue has been the substitution of the word "safety" for economics. He said he thinks we have a phenomenally safe air traffic system but that we have an uneconomic air traffic system because we never address it on the basis of economics. He pointed out that until we have the maturity to stand up and address the issue from this perspective, we are going to continue to have a system that does not meet our needs. Continuing, Mr. Baker said that if we cannot start looking at it pragmatically, we are not going to do a bit better with any new air traffic system—labor intensive or automated—than we have done to date.

Regarding the TCAS-II plan, Mr. Baker said he has several questions which he feels must be settled before

any system is implemented. He questioned whether it is sufficiently advanced technically to be fully accepted. He wanted to know whether TCAS-II would work in terminal areas, or would it be just another purchase that would not add significantly to the utilization of the airspace. He said another point to be clarified is the legal responsibility. He wanted to know whether the aircraft getting the most information and thus a better opportunity to avoid a collision would have a greater legal responsibility for avoiding it. If this is the case, he questioned whether the result would be a demand for equally expensive equipment for all users, or whether it might, once again, be a means for denying use of certain airspace.

Since general aviation is now selling mainly turbo-charged aircraft, Mr. Baker said we must start looking at the various kinds of airspace in terms of who is going to be operating where. He pointed out that the air carriers no longer have exclusive use of that chunk of airspace that for many years was traditionally theirs simply because general aviation couldn't get there. When thinking about air traffic, he said, think about the fact that GA replicates the airline fleet every two and a half months and that they replicate it increasingly with machines that are fully IFR equipped and, in many instances, better equipped than the air carrier aircraft. He stated that when they make an investment of \$160,000 or \$170,000 on a single-engine plane, they want to

be able to fly it through the whole regime. He said that the myth about mixing slow airplanes and fast airplanes is pretty much a thing of the past. Mr. Baker said we ought to drop these myths and address the problem of how to integrate what should be the most dynamic system in this country—the system that has the most to offer to the American people in terms of transportation and commercial intercourse.

On the question of how to make the air traffic system work to the benefit of all and ultimately to the benefit of the American public, Mr. Baker stated he does not believe the answer he should come up with is that it should be labor intensive or that it should be automated. What he is saying, rather, is that we need a system that works—that meets all of our legitimate requirements, recognizing that the common carrier needs protection in certain environments and that the public interest demands that protection.



**Edwin I. Colodny**  
**Chairman and President, USAir**

# Air Traffic Control System of the Future: Labor Intensive Versus Capital Intensive

Mr. Colodny said that in preparation for this meeting he had asked the people at USAir who work on air traffic factors what were the top three priorities necessary to improve the air traffic control situation and our operating environment. These were their answers: Number one is airport capacity. They feel the biggest single constraint in this country today is lack of adequate runway capacity. Number two is automation of the air traffic control system. They said that the present primary system is unable to handle the existing load. The third priority they cited is adequate manpower to operate the system that is in place today. Mr. Colodny said his people believe that manpower in the FAA is inadequate. He said that he requested his people to provide him with an example, and the example he received was that we have the capability at Pittsburgh International Airport for dual instrument approaches. But until very recently, he said we were incapable of doing dual instrument approaches because of a lack of adequate staffing. Mr. Colodny stated that this may sound like a very elementary sort of thing—the number of people in a facility. But, he asked, what happens when the 200 departures a day that we now have at Greater Pittsburgh and the Allegheny commuter system start backing up in the northeast area? He said it is expensive, frustrating, and obviously difficult. So, Mr. Colodny said, when he looked at the issue presented and talked about airport capacity to his people, they attributed it to FAA manning standards and, again, to the issue of adequate runways.

Mr. Colodny went on to say that the unfortunate part about airline economic deregulation is that it is

forcing greater concentration in fewer hubs. He said that nobody dealing with airline deregulation ever conceived of the airport side of this problem at the time the whole issue of economic deregulation was debated. He said that, to his knowledge, it wasn't even considered.

Mr. Colodny asked us to take a look at Dallas-Fort Worth today. Bob Crandall is fighting a very valiant battle there to get a runway utilized. The runway conflicts with Love Field, or it impacts on housing built after the airport was developed. So we have one of the greatest airports in the world underutilized yet growing by leaps and bounds because everybody wants to go to the busiest area, whether it's Denver, Los Angeles, Pittsburgh, LaGuardia, or Atlanta. He stated that St. Louis is another terrible example of one of the worst air traffic control situations in our system and that O'Hare ranks along with it. He said every one of these situations is developing more rapidly because airline deregulation is forcing the airlines to change the way they operate economically. He stressed that most lines are forced to capitalize on strong hub and spoke operations in order to survive and said this is going to dictate a very hard look at airport runway capacity. This is a primary issue.

As to the second priority, automation, Mr. Colodny stated he doesn't understand that much about electronics, but he does understand the need for money. And he believes that it is very difficult for anybody to argue about whether we've got the best program or the second best program to fix the computerized or automated portion of the air traffic control system. He believes it would be better to spend the money and

have the second best than to wait until we get the best. He stated the problem is that we have taxed the passengers to the extent of \$4 billion—that we have taken their money and not delivered what was promised.

From his standpoint, he thinks there are some priorities: automated metering programs; flow management; color radar, for example, in the National Air Traffic Command Center. Mr. Colodny said he had heard that FAA doesn't have color radar there. He said that they have it in their system control center in Pittsburgh, and the fact that FAA doesn't have it in the ATC Command Center seems to be odd. He suggested we are all wasting our time talking about any of these programs, however, if the money is not appropriated.

On the issue of manpower, Mr. Colodny said he wanted to make a comment which stemmed from some of the comments he had heard about FAA personnel and other government personnel today. As a citizen, he believes that the present Federal pay cap is one of the most destructive things that has happened to the support system that airline users and other aviation users receive. He said he knows what his airline pays a ramp agent, a ticket agent, a cleaner, and a mechanic. And, yet, he commented, we ask Federal employees—engineers and other talented people—to work for years with no increase in pay and take inflation to boot. Mr. Colodny stated that he thinks we all have an obligation at some point to speak out in support of FAA and other organizations which lose good people because they cannot afford to do the work they would like to do for the Government.

In closing, Mr. Colodny stated that he thought the single biggest concern is that the public may be losing confidence in our system—whether justifiably or not. He said the public reads about the PATCO issue and about the delays, and the public reads and sees on television what is going on in aviation-related matters. He said the result is that even sophisticated people ask him whether it is safe to fly. He feels that's a hell of a question. He pointed out that after you give them the statistics, they ask how we can have a system with the computer outages that we have, and how can we stack up airplanes like this, and so on. Mr. Colodny stated that it is important that the public not lose confidence in our system. And he thinks we need to do something about it as it relates specifically to the air traffic control system.

# Air Traffic Control System of the Future: Labor Intensive Versus Capital Intensive

## Group Discussion:

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Mr. Brainerd Holmes of Raytheon said the question to him was a very legitimate one, "Air traffic control system of the future: labor intensive versus capital intensive." He said he didn't think there was any question about the answer, which is that it has to be capital intensive. He said that if there is one technology which obsolesces itself faster than any other it is electronics. Thus, the equipment we use today is essentially obsolete because we cannot develop it and get it into the field fast enough to keep current. He said that in his experience it was a rare occurrence when the use of capital to relieve manpower did not prove economical. He stated that if you put those two things together and think in relative terms, the answer is clearly affirmative that the air traffic control system of the future is going to need more people. He said if there is a choice between taking the load off a person by giving him capital devices and just using his human judgment, the answer has to be to spend capital. This was very clear to him; and he felt it hadn't been stated clearly during the presentations on this subject.

Mr. Colodny said that one additional comment he wanted to make had to do with vertical separation above 29,000 feet being reduced from 2,000 to 1,000. He urged that the study of that issue and the implementation program be expedited.

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**Gordon A. Tilcomb**  
**Executive Vice President**  
**Commercial Products Division**  
**Pratt & Whitney Aircraft Group**





# Airport/Aircraft Noise Policy

Mr. Titcomb began by stating that the aircraft noise issue is certainly an important and challenging subject for an aircraft and engine manufacturer to discuss. He said that aircraft noise has the potential to inhibit airline operations severely and to restrict the growth of the air transportation business. He pointed out that everyone recognizes the potential competitive advantage that could accrue to an aircraft with noise signatures potentially lower than any of the rest. Aircraft noise is a very complex subject. It involves the engine and airframe manufacturers, airline and airport operators, and local, state and Federal governments.

Mr. Titcomb stated that since time wouldn't permit him to cover all aspects of this issue, he would like to limit his remarks to engine-noise reduction and prospects for further improvements.

He noted that aircraft noise research predates the introduction of commercial, jet-powered transports. He stated that his industry has invested hundreds of millions of dollars in noise research with significant, but ever-diminishing, returns. Over the years, major reductions in aircraft noise have come primarily from engine cycle changes.

Mr. Titcomb stated that in the early 1950's manufacturers, airline operators, and airport authorities were concerned about the noise impact of the forthcoming turbojet-powered commercial aircraft. Extensive efforts were made to develop means to reduce the anticipated high levels of jet exhaust noise expected during takeoff. The noise resulted from the high exhaust gas velocities of the early turbojet engines. When jet powered transports entered airline

service in 1958, they were equipped with jet exhaust noise suppressors developed in response to the takeoff noise concern. Mr. Titcomb pointed out that these suppressors added weight, they hurt performance, and they translated into penalties in payload, range and fuel. He said the technology of noise reduction was such in those days that the reduced noise only slightly exceeded that which could have been achieved by pulling the throttle back to the thrust of the suppressed engine.

Continuing, Mr. Titcomb stated that a new engine cycle, the turbofan, evolved from the turbojet, in part because of community pressures for reduced takeoff noise. He said this new cycle also offered significant improvements in aircraft productivity, that is, the payload for the fuel burned. When the turbofan-powered aircraft went into service in 1961, they were quieter at takeoff because their engines had lower exhaust velocities. The fan section of this new type engine, however, produced objectionable tones during landing approach. Research revealed several design techniques to control this annoying fan noise, and to the extent possible, these features were incorporated in new and in-service engines.

The next evolution was the high-bypass ratio engine cycle. It evolved primarily to provide better aircraft productivity. But it also produced substantial improvements in takeoff noise, again, because exhaust velocities were still lower. These engines had a single stage fan that allowed them to exploit extensively, the fan noise reduction techniques they had pioneered. Fan tones on landing, apparent with the earlier fan-powered aircraft, were reduced

significantly. The low-bypass turbofan engines used on the 707 and the DC-8's reduced takeoff noise by about ten decibels, that is, relative to the initial jet.

The high-bypass turbofan added still another ten decibels of takeoff noise reduction. A high-bypass technology also permitted fan sections to be designed to produce fan tones about ten decibels lower than the earlier turbofan engines.

Recognizing that the decibel is a logarithmic unit, Mr. Titcomb continued, the ten decibel reduction in noise represents a reduction in acoustic energy of about 90 percent. He said the added ten decibels from the higher bypass ratio represents a 99 percent reduction in acoustic energy relative to the first turbojet engine.

Mr. Titcomb stated that noise reductions accomplished to date are truly remarkable; but, he said, they can't puff their chests up too much because air traffic productivity improvements that were accompanied by these noise reductions certainly accounted for a large part of the motivation to develop these improvements and a large part of the motivation for the airlines to use them.

Mr. Titcomb went on to say that those large productivity benefits required huge investments. They were justified, however, by manufacturers' market estimates and manufacturers' and users' calculations on return on investment—calculations which they had found to be reasonably accurate over the years. Mr. Titcomb stated that he did not want to imply that these noise benefits were without penalty to the airline operator, for they were not. They make the engines

longer to accommodate the axial spacing of fan components required for noise reduction, and the cells are longer to provide the required amounts of sound absorbing material. He said these factors increase weight and increase drag. The use of porous, sound-absorbing materials within duct walls in place of a hard wall results in performance losses. He pointed out that each of these compromises made for the sake of reduced noise means an increase in the purchase price of the product and, possibly, in maintenance cost.

On the question of where we stand today with regard to noise levels of engines that will power the next generation of airplanes, Mr. Titcomb stated that it is important to recognize that the next airplanes to be introduced, such as the Boeing 757, 767 and others, most likely will be powered by high-bypass ratio engines. He said the cycle offers the best know-how in productivity and noise benefits. Thus, Mr. Titcomb pointed out, the next generation of airplanes should have the same noise characteristics as today's wide-bodied jets. He stated that they obviously expect improvements, but these improvements are evolutionary and will not result in noise reductions of the magnitude realized when they moved from the original turbojet to the turbofan and then to the high-bypass ratio turbofan.

Mr. Titcomb pointed out that airport communities will benefit as more and more airplanes with high-bypass ratio engines enter the airline fleet. He stated that it is very important to realize, however, that the overall noise exposure levels at these communities result in the mix of these stage-three airplanes with the older stage-two and stage-one airplanes.

Mr. Titcomb commented that the Boeing 707 and Douglas DC-8 are being phased out of airline operation, in part because of noise regulations, but largely because the price of fuel makes these aircraft uneconomical to operate. He noted that there are more than 3,500 Boeing 727, 737 and DC-9 aircraft now in the world's commercial airline fleet which are good, productive aircraft. These aircraft either meet or are being retrofit to meet stage-two regulations, and they have many more years of service capability ahead of them. Mr. Titcomb said the airlines cannot afford to replace these aircraft before they are 15 years old, so these aircraft will control noise exposure levels at most airports for many years to come. He also said until stage-two airplane operations at an airport represent less than 25 percent of the total operations, the benefits of aircraft with quieter, high-bypass ratio engines will not appear significant in terms of reduced overall noise exposure.

Mr. Titcomb said that we have to assume the airlines will buy the more efficient stage-three aircraft to replace the stage-two airplanes as fast as they economically can to gain the productivity of these aircraft. That buying pattern will have to be consistent with the delivery schedule of the manufacturers. Based on these assumptions—that is, that the airlines will buy them as rapidly as they can consistent with delivery schedules—it will take ten years to replace 50 percent of the stage-two aircraft now in service and 15 years to replace 80 percent. The point is, he said, we must recognize and accept the fact that it takes a long time, probably in excess of ten years, before airport communities reap significant benefits from noise improvements introduced

with a new series of aircraft. Because of this, they are facing pressures to move faster, to reduce noise without improving productivity or even reduce productivity. He questioned the practicality of that.

He said they have done extensive research to find possible ways to improve the noise characteristics of those 3,500 stage-two airplanes that now dominate the airline fleet. Their ability to incorporate further noise reduction features in the JT8D engine, which powers the majority of these short-range aircraft, is restricted substantially by the basic engine configuration. Funded in part under an FAA contract, he said they have developed internal exhaust mixers to reduce the jet engine exhaust noise. This is the dominant noise source in the JT8D engine. The mixers provide a noise reduction benefit of two to four decibels at maximum thrust, with the benefit reducing as power is reduced. He pointed out that this noise reduction is only about half of what is needed to comply with stage-three requirements and the mixer provides no noise reduction at approach thrust. Mr. Titcomb said that it does not appear feasible to obtain additional improvements needed for stage-three compliance in a viable JT8D installation.

They have, however, developed a derivative of the JT8D engine that incorporates the latest noise technology. That program was started as a NASA-funded demonstration program to show the noise benefits gained by putting a new technology fan on the JT8D. Based on the successful results of this demonstration program—they have developed and are producing the JT8D-200 series engine by replacing

a two-stage fan with one which has only one stage, by optimizing fan component spacing, adding a more effective nacelle acoustic treatment over a greater area, increasing bypass ratio, and incorporating an internal exhaust mixer—noise levels have been significantly reduced. At the same time, they have increased thrust and made the engine about ten percent more fuel efficient. He noted that the McDonnell-Douglas DC-9 Super-80, powered by the new JT8D-200 series of engines, is the quietest commercial jetliner in service today. He said this appears to be the only practical way to apply today's noise technology to the older engines.

Continuing, Mr. Titcomb stated that the resultant, derivative engine is a significantly quieter, stage three in a derivative airplane. He said it is more productive and has higher thrust with lower fuel flow. But here again, Mr. Titcomb stated, it will take many, many years for the benefits of this improvement to be realized in community airports. Returning to the high-bypass ratio engine noise reduction efforts, Mr. Titcomb said the payoff of research programs is diminishing. They have no innovative engine designs that would provide the incremental improvements that were enjoyed by the introduction of the bypass and the high-pass cycles. He said that in general we are dealing with a mature technology.

Mr. Titcomb stressed that huge investments are required to squeeze out every tenth of a decibel. He said the basic, high-bypass ratio engine design has incorporated the most significant noise reduction features; and improvements to that will be small in the future. But, he said, this does not mean that we can reduce the noise reduction and research efforts. The competitive pressures

resulting from community pressures are motivating them to continue to investigate areas that have the potential for further noise improvements. But Mr. Titcomb cautioned that we must face the fact that these improvements will be evolutionary and small, not revolutionary and large. Furthermore, any community benefits resulting from this will take a long time. Mr. Titcomb said that as he had indicated earlier, the productivity improvements that produced acceptable returns on investment created the incentive for the development of past programs. They have yet to identify similar, new opportunities in the engine business. It has been suggested that modest reductions in noise should be worth two to three percent in fuel penalties. He said he must disagree with that. He pointed out that each one percent of extra fuel burned represents a recurring annual cost to the airlines of more than \$100 million. He said the airlines already are staggering under the load of increased cost to the point that the break-even load factor is approaching fleet average capability. Reduced productivity is certainly not a viable answer, in his opinion.

Mr. Titcomb said they would like to move faster, but tremendous investments of time and money are required for the manufacturers to develop new, reduced noise systems, for the airlines to add these systems to their fleet, and for the airport communities to recognize these benefits. Mr. Titcomb said he wished he could present a more optimistic picture, but we must face reality. Their plans are to continue an aggressive program of technology which has, in the past, produced substantial engine noise reduction. Mr. Titcomb commented that as they develop new technology, they will incorporate it in

their engine designs to the maximum extent possible. He reiterated that although we are dealing with a mature technology and improvements are hard to come by, they will continue to do their part to assure that a healthy air transportation system can be retained. To them, this means improved productivity must accompany improvements in the environmental characteristics of their engines.



**Thomas A. Raffety**  
**President**  
**Airport Operators Council International**

# Airport/Aircraft Noise Policy

Mr. Raffety stated that no one would dispute the fact that there is a lot of investment involved in the airlines; however, there is also an immense investment required on the part of the airport operator. He said that the difficulty encountered in the construction of new airports, or even expanding existing airports to whatever degree, is primarily the result of community opposition to aircraft noise. Sometimes they feel that some communities' opposition may be based more upon symbolism and/or perception than it is upon actual impingement of noise on the individual neighbor.

Mr. Raffety pointed out that in the last decade, there has been only one major airport constructed and fewer than ten new major runways laid at major air carrier airports. He said these constraints are really going to be felt within the coming decade when even a modest estimate shows a 60 percent increase in United States enplanements by 1990. They see no let up in the opposition to airports and airport expansion and new runway construction. Thus, he feels there are going to be some severe capacity and delay problems. Mr. Raffety stated that airport noise is not just the airport operators' problem. He said it is an industry problem—indeed, a national problem—and we must all share it.

He said that the FAA Noise Abatement Policy identifies a very complex division of legal authority and responsibility among airport operators, Federal agencies, air carriers, airframe manufacturers, air travelers and shippers, and residents located within aircraft noise-impacted areas. It further outlines various noise abatement strategies, which include a Federal action plan, an air carrier action plan, and suggested local

actions. Mr. Raffety stated the primary goal of the policy is to confine severe aircraft noise exposure levels, 75 Ldn and greater, around U.S. airports to an area included within the boundary fence, and to confine to the extent possible the areas receiving significant noise exposure levels of 65 Ldn and greater to the airport boundary or to those lands that are or can reasonably be used for activities compatible with those noise levels.

He said from the airport operator's point of view the overall problem with policy implementation is the present legal framework, which states that the primary obligation to address the noise problem always has been and still remains a local responsibility. He pointed out that the airport authority is not only held responsible and accountable for aircraft-generated noise impacts, but must also be a catalyst for noise abatement action. He suggested this mandate would be considerably more acceptable and would yield greater benefits if all other participants in this complementary action would willingly accept and share responsibility for aircraft noise.

There has been some discussion about the FAA-sponsored Airport Noise Control and Land Use Compatibility (ANCLUC) program, and the studies which were begun in 1977. Mr. Raffety stated that the intent of the pilot program was to involve all relevant parties in a planning process encompassing the examination of noise impact created by the operation of an airport. Mr. Raffety said the proposition fails because airports are not noisy. He emphasized that airports do not make noise. He stated it is the operation of aircraft at airports which makes noise. He indicated the intent of the program was also the analysis of alternative noise impact reduction techniques in land use

compatibility and a recommendation for a plan of action.

Continuing, Mr. Raffety stated that the FAA is currently preparing a report to Congress on airport noise compatibility planning accomplished to date. The report's conclusions and recommendations should be considered in the event that the Aviation Noise Abatement Policy of 1976 is modified. He said from a practical point of view the concept of complementary action has resulted in a limited degree of success. That is not intended as a criticism, he said, for there has been aircraft noise reduction; and to a limited extent, aircraft are being piloted in a quieter manner. Mr. Raffety went on to say that even engine technology and pilot abatement techniques have limitations; and the airport authority is also very limited in the implementation of viable, cost-effective, noise abatement actions, especially, he said, since the advent of airline deregulation, when everybody got deregulated except airports.

Mr. Raffety said that many aircraft noise abatement actions translate into increased airline costs, and airport managers recognize this. He said this is a primary factor considered for either increasing or reducing airline service levels. But again, he pointed out that the airport operator has no control over this.

Mr. Raffety stated that a second, and equally important problem with the Noise Abatement Policy is the lack of emphasis on the development of a legal mandate regarding the responsibility and accountability of off-airport interests. He suggested that most state and local governments have not realized, or are indifferent to, the fact that effective aircraft noise abatement can only be

realized if off-airport land use compatibility is legislated and enforced. He said that sooner or later, state and local governments must respond to their respective obligations regarding limitations on the use of land near airports for purposes which are compatible with aircraft operations. He pointed out that the policy also states that residents in areas surrounding airports should seek to understand the noise problems and delineates what steps can be taken to minimize its effect on people.

Mr. Raffety said that he thinks it would be difficult for any policy, however stated, to assist residents in areas surrounding airports to truly understand the noise problem. He stated that until the responsibility for aircraft noise and noise abatement is truly shared, and the legal framework is equalized among all responsible parties, this policy objective will only impede progress. Continuing, Mr. Raffety said the overall objective of the Aviation Noise Abatement Policy of 1976 can be achieved through a two-part equation: aircraft noise control and off-airport land use compatibility. He stated that many of our Nation's airports are responding to this challenge through ANCLUC-related efforts and are enjoying some success, though ANCLUC studies at some other airports have been considerably less successful. Most aircraft noise reduction to date has been achieved through aircraft engine technology, through airports improvements and aircraft operational techniques. These are tremendous strides, Mr. Raffety said, but only one part of a two-part equation.

Mr. Raffety went on to say that enough evidence is available to indicate that further aircraft noise impact reductions will require a

Federally sponsored emphasis in the area of off-airport land-use compatibility. He says this with full knowledge that none of us wants to increase Federal regulation. He said experience has shown, however, that off-airport land use compatibility programs, in most cases, will not succeed unless Federal emphasis sparks the interest of state and local governments.

There are other areas where the airport authorities would like to see a firm Federal stance. Mr. Raffety stressed that the timetable established in the Aviation Safety and Noise Abatement Act of 1979, requiring retirement or retrofitting of non-FAR Part 36 certificated aircraft on a stage basis, must be enforced. He said aircraft currently in production, such as the B-727-200, barely satisfied the requirements of FAR Part 36, stage two. He believes that regulations should be promulgated that apply the more stringent standards of FAR Part 36, stage three, under which the Boeing 757 and 767 will be certified, to the continued production of stage-two aircraft such as the B-727-200.

Mr. Raffety went on to say that in a continuing ADAP program or a replacement program, sufficient funds must be provided to permit the soundproofing of schools and hospitals within noise impacted areas. On the basis of the 1977 study, he reminded his audience that the Secretary of Transportation determined the soundproofing of these structures to be feasible and practicable.

He said FAA must challenge the argument offered by the airlines that noise-abatement procedures should be eliminated in order to conserve fuel. He said we must, perhaps, consider the trade-off of achieving

less aircraft noise at the cost of a small increase in fuel consumption.

In closing, Mr. Raffety said he wanted to make a brief comment on the status of noise funding in the current ADAP extension bills. He said both Senate Bill 508 and House Bill 2643 make ADAP funding available for noise planning and implementation under the Aviation Safety and Noise Abatement Act of 1979. He feels major differences are twofold. He pointed out that the House Bill would guarantee the expenditure of not less than \$100 million by the end of fiscal 1983, while the Senate Bill sets aside no minimum. He said the Senate Bill, while proposing detederalization for the largest 69 airports, would also make these very airports ineligible for funding for noise planning and implementation. Mr. Raffety stated that these are the airports that have the noise problems. He said that small hub airports that are eligible for noise impact funds, by and large, do not have those noise problems to the same degree as large airports. He wondered, perhaps, if class discrimination is not somehow involved. He noted that the Administration has endorsed the Senate provision and opposes the set-aside for noise programs provided in the House Bill. He said this opposes the AOCL view, which stands in strong opposition to the Administration's view.

If we are in agreement that aircraft noise is the biggest issue facing the air transportation industry today, Mr. Raffety stated, then DOT/FAA must play a firm leadership role in resolving a national problem.

# Airport/Aircraft Noise Policy

## Group Discussion:

General von Kann kicked off the discussion by stating that over the years, Federal preemption has been an airline objective that has always come apart at the Office of Management and Budget (OMB). He suggested that the time is ripe to revisit that question.

Mr. Robert Richardson of Helicopter Association International stated that regarding helicopter noise complaints they are taking a couple of steps to help remedy the situation. They have recently petitioned the Department of Defense (DOD) to reissue an advisory circular called "Flying Neighborly." It applies not only to helicopters but all aircraft. On FAR Part 150, the helicopter position right now is that it should continue to confine itself to heliports within the boundaries of airports. He said that FAA has maintained only limited coordination with the U.S. helicopter industry in forming the U.S. position in international ICAO rulemaking. They have not been very receptive to the U.S. concern with respect to helicopter noise, Mr. Richardson stated. Continuing, he said that the FAA should accept the industry's assessment of the economic impact of the proposed ICAO and FAA rules, modify the U.S. rule accordingly, and push ICAO to modify their rule at the next meeting of the Committee on Aircraft Noise in the fall of 1982. Mr. Richardson said that the proposed FAA position presently inhibits the development of faster, more productive, new design helicopters by establishing limits based on relatively slow helicopters of approximately 120 knots. They do not allow growth margin for increased speed. He said the current FAA policy will inhibit, if not eliminate, the development of high gross weight U.S. helicopters by not providing special treatment for civil

application of military parent helicopters. He said further that development will be left to foreign manufacturers, and the potential U.S. civil market not subsidized by the U.S. Government will be lost.

Mr. Brian Rowe of General Electric stated that as an engine manufacturer he has to occasionally remind himself that they cannot sell their engines if they don't eventually have airplanes wrapped around them. And, he pointed out, the airport people should realize that they don't have an airport unless airplanes land there.

Mr. Rowe said that they have spent a considerable amount of time over the last ten years on the noise problem. But, he said, it concerns him when people throw numbers around showing how easy it is to make quiet airplanes. He pointed out that it cost \$14 billion to retrofit 2,000 Boeing 727's. He said that in being practical and realistic—even accounting for attrition—it will probably be 20 years before there is a significant reduction in airport noise. He feels that Gordon Titcomb is absolutely right in his analysis of that.

Cliff Moore said that at a Chamber of Commerce meeting he had attended, one of their relatively new airport commissioners who had been in the public relations and advertising business said that in his experience he had never seen such a lousy job of communicating the value of an industry to the public as aviation has done. Mr. Moore said that in Los Angeles they carefully analyze periodically the impact of LAX economically—the combined contribution of all aspects of the airport—but, most recently, in terms of value added to the community. He said they found that in the market area, the value added to the community as a result of that airport's

operations is \$66 million per day or \$24 billion per year. Additionally, Mr. Moore said, the employment as a result of having the airport there is 864,000 jobs, which has a significant impact on the employment rate. He said that, as a matter of fact, it happens to be close to 20 percent of the total employment of the area. Mr. Moore said that the industry gets no credit for that because of the very inadequate public relations effort. He said he is pointing a finger not only at the airlines but at the airport operators as well; he feels they should all be doing a better job to convince the impacted areas that they share in the benefits. Mr. Moore said two things are needed: (1) a program to deal with how those communities that will remain in the noise-impacted area for a long period of time are going to be convinced to cooperate with the continued operations of the airport which will happen in such a way that it is constructive and productive for both the community and the industry, and (2) to communicate the value of what we do not only to those people who are impacted but to everyone concerned.

Mr. Helms stated that Mr. Moore had put his finger on a key issue. He said he was particularly impressed by Mr. Moore's statistics because FAA is in the first phases of developing similar data on JFK airport. He said they chose that airport because its being on Long Island made it easier to track down the necessary data. Mr. Helms said that the data show over 400,000 jobs relate directly to JFK and that it is the largest single employer on Long Island. FAA is still developing the data.

# Wrap-Up Session

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Mr. Helms said that he had a series of questions that he wanted to pose to the participants and then wished to extend to the participants an opportunity to bring up any other areas that were not on the agenda which they felt a need to discuss or to pursue.

Mr. Helms asked whether they felt it worthwhile to have an annual conference such as this one, and if so how did they feel about the length of the conference. He also asked whether they would support establishment and scheduling of specialty conferences, perhaps similar to the airworthiness review. Mr. Helms pointed out that the organizations would have to have someone represent them with sufficient power to make decisions and push them through, if not their chief executive officer, then certainly someone with decisionmaking responsibility.

Mr. Helms said he had particularly wanted to get Congressman Levitas to speak at the conference so that the participants could hear directly what the people on the Hill are saying. He pointed out that Congressman Levitas is by no means the least critical Member of Congress. He said Mr. Levitas is someone you can sit down and talk with and is greatly respected on the Aviation Subcommittee. Mr. Helms added if we are going to get anything done Congressman Levitas is one of those with whom we must be able to communicate.

John Baker said that inasmuch as the Department of Transportation is now apparently taking a stronger position in international aviation, he would like to see more high-level attention focused on what goes on at ICAO. He said that they are

continuously fighting the same battles over and over up there; and, unhappily, at the time ICAO was created, there was no veto power for the major aviation countries. Mr. Baker said the ICAO job is a political appointment, and there has been no industry involvement to insure that we get quality people into the job.

Russ Meyer of Cessna said that he was glad to have heard Congressman Levitas speak; he had not heard him before. He said that he strongly disagreed with the Congressman's comments about limiting the role of the FAA to safety, and he believed most of the participants felt the same way. Mr. Meyer said that he thinks the FAA should continue to be concerned with safety and should also take a very active role in expanding the air traffic system and promoting the U.S. aviation industry. Mr. Meyer said that of all the issues discussed at the conference, in his judgment, the major issue before us is whether we maintain leadership in world aviation. Mr. Helms replied that the FAA will do everything it can to see that we do.

In his closing remarks, Mr. Helms said that he would appreciate it if the participants would drop him a note telling him what items they feel warrant future discussion. He said he wants to enhance communication between FAA and the aviation community.



# Participants

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Air Florida, Inc.

**A.P. Albrecht**

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for Engineering and Development,  
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**James F. Atkins**

President  
Bell Helicopter Textron

**John Baker**

President  
Aircraft Owners and Pilots Association

**E. J. Belser**

Manager, Aviation Sales  
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**David L. Blackshear**

President  
National Association of State  
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**James L. Bispo**

Associate Administrator for Air Traffic  
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**Frank Borman**

Chairman and Chief Executive Officer  
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**E. H. Bouillon**

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Boeing Commercial Airplane Company

**Lawrence Burian**

President and Chief Executive Officer  
National Air Transportation Association

**Edwin I. Colodny**

Chairman and President  
USAir

**Harry B. Combs**

President  
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**Honorable Judith T. Connor**

Assistant Secretary for Policy and  
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**Robert L. Crandall**

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**James C. Cruse**

Vice President for Policy Analysis  
Export-Import Bank of the United States

**Robert C. Davidson**

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**Duane Ekedahl**

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**Honorable Michael J. Fenello**

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**Karl G. Harr, Jr.**

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**D. Brainerd Holmes**

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**Honorable Elliott Levitas**

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**Mary McAuliffe**

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United States Senate

**P. F. McCloskey**

President  
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**Sanford N. McDonnell**

Chairman of the Board and  
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McDonnell Douglas Corp.

**C. E. Meyer, Jr.**

President and Chief Executive Officer  
Trans World Airlines

**Russell W. Meyer, Jr.**

Chairman, President and  
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**John Winant**  
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**Percy A. Wood**  
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